

AMENDED IN SENATE AUGUST 8, 2006

AMENDED IN SENATE APRIL 3, 2006

AMENDED IN ASSEMBLY JANUARY 23, 2006

AMENDED IN ASSEMBLY JANUARY 4, 2006

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 759

Introduced by Assembly Member Lieber
(Coauthor: Assembly Member Ruskin)

February 18, 2005

An act relating to the health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 759, as amended, Lieber. El Camino Hospital District.

Existing law, the Local Health Care District Law, provides for the formation of local health care districts, and authorizes a district to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets, subject to certain requirements, including the approval of a majority of the voters of the district in certain circumstances. Existing law also authorizes the transfer of a district's assets, for the benefit of the communities served by the district, in the absence of adequate consideration, subject to certain requirements.

Existing law imposes similar requirements on the transfer of assets by El Camino Hospital-Corporation, a nonprofit public benefit corporation that owns and operates El Camino Hospital pursuant to a

transfer of assets from the El Camino Hospital District under the above-described provisions.

This bill would make various findings and declarations regarding the El Camino Hospital District and El Camino Hospital-Corporation, including a finding and declaration that the El Camino Hospital and any other entities operated by the corporation are deemed to be public entities for purposes of laws requiring financial disclosure and establishing employee rights.

This bill would also make a legislative finding and declaration regarding the need for special legislation.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature hereby finds and declares
2 all of the following:
3 (1) There is a unique relationship between the El Camino
4 Hospital, a California nonprofit public benefit corporation (“El
5 Camino Hospital-Corporation”) and the El Camino Hospital
6 District, because the district’s publicly elected board members
7 exert direct control over the El Camino Hospital-Corporation
8 through the appointment and removal of the only members of the
9 corporation’s board.
10 (2) Because the El Camino Hospital District is a public entity
11 that has direct and sole control of the El Camino
12 Hospital-Corporation’s board, the district is, pursuant to
13 established legal principles, thereby deemed to be in direct
14 control of the operations of the El Camino Hospital and any other
15 entities operated by the corporation.
16 (3) Therefore, the El Camino Hospital and any other entities
17 operated by the corporation are deemed to be public entities for
18 purposes of laws requiring financial disclosure and establishing
19 employee rights.
20 (b) This section shall remain in effect as long as the El Camino
21 ~~Hospital District maintains sole or majority control over the El~~
22 ~~Camino Hospital-Corporation or any other corporation, trust,~~
23 ~~association, partnership, limited liability company, or other~~
24 ~~person or entity that receives district or corporation assets that~~
25 ~~are subject to the requirements of Section 32127.7 of the Health~~

1 *Camino Hospital-Corporation or any of its successors in interest,*
2 *subsidiary, partnership, limited liability company, or corporation*
3 *is the recipient of any assets from the El Camino Hospital*
4 *District that are subject to the requirements of Section 32121.7 of*
5 *the Health and Safety Code.*

6 SEC. 2. Due to the unique circumstances of the relationship
7 between the El Camino Hospital District and the El Camino
8 Hospital-Corporation, the Legislature hereby finds and declares
9 that a general statute cannot be made applicable within the
10 meaning of Section 16 of Article IV of the California
11 Constitution. Therefore Section 1 of this act is applicable only to
12 the El Camino Hospital District.